

**OAK LODGE SANITARY DISTRICT
BOARD OF DIRECTORS
MINUTES OF THE REGULAR MEETING
August 12, 2008**

CALL TO ORDER

President Paul Savas called the Regular Meeting of the Board of Directors of Oak Lodge Sanitary District in Clackamas County, Oregon to order at 6:30 p.m. in the District office, 14611 SE River Road, Milwaukie, Oregon.

PERSONS PRESENT

Declaration of a Quorum: Directors present were Paul Savas, President; William Wild, Vice President; Jim Martin, Dave Seigneur and Doug Woods.

Staff present were J. Michael Read, General Manager and Secretary of the District; Brett Arvidson, Manager of Planning and Engineering; and Kay Deines, Administrative Services Specialist; and Attorney for the District Clark Balfour.

PUBLIC PRESENT

Thelma Haggemiller, 3405 SE Westview Road, Milwaukie, Oregon 97267
Jerry Foy, 15242 SE Fair Oaks Drive, Milwaukie, Oregon 97267
Leonard Waldemar, 5025 SE El Centro Way, Milwaukie, Oregon 97267
Henry Schmidt, 14201 SE Bunnell Street, Milwaukie, Oregon 97267

**QUANTIFYING GROWTH
IMPACTS FOR LONG-
TERM PLANNING:
Michael Read**

Manager Read reviewed the current population growth estimates available for the local area. He discussed the suggestion that Oak Lodge Sanitary District plan for additional growth as part of the wastewater treatment plant rehabilitation project.

Manager of Planning and Engineering Brett Arvidson and Dave Green of CH2M Hill both stated that they are planning for enough treatment capacity that the plant should be able to handle any expected population growth. Brett noted that it would take a major change to development and densification of the current use of land to outgrow the planned treatment capacity.

Leonard Waldemar, 5025 SE El Centro Way, resident of the District and member of the Master Planning Community Advisory Committee (MPCAC) and the Surface Water Management Citizens Advisory Committee, stated his belief that more development will come to the Oak Grove and Jennings Lodge neighborhoods and that light rail will eventually continue further up the commercial corridor than currently planned.

Jerry Foy, 15242 SE Fair Oaks Ave, resident of the District and member of the MPCAC, stated his belief that there are organizations from which to get planning and population estimates that are more accurate than the information from Metro. He suggested BOMA (Building Owners Management Association), Eco Northwest, Grubb & Ellis, CRA, the Homebuilders Association, Stoll Reeves, and ODOT as organizations that

have excellent and reliable development projections. Jerry stated that he feels it is imperative that the District approach Clackamas County seriously regarding joint agreements. Director Martin then requested that Jerry provide staff with the list of entities he mentioned in his comments.

Director Martin stated that he does not see a reason for the District to construct treatment capacity for growth that may or may not occur. He recommends that the District keep apprised of planning developments at Clackamas County and be prepared to enter into agreements in the future regarding possible growth and need for treatment capacity.

Director Woods stated that the engineers are placing elements in the pre-design plan to provide for future expansion of the plant. One reason for building numerous tanks into the system is to provide operational flexibility.

Director Woods also expressed his concern with the possibility for major growth to outstrip the capacity of the collection system. Director Seigneur and Manager of Planning and Engineering Arvidson concurred with this concern.

Director Martin expressed his concern that any discussion of construction of additional capacity be based on anticipated results of how Clackamas County plans to deal with the question of the existence and longevity of the Kellogg Treatment Plant.

Manager Read suggested that the Board address questions on planning for future growth by sending two letters to the County. The first letter would reflect on the discussion that the Board had with Lynn Peterson, Chair of the Board of County Commissioners, reiterating the District's offer to build additional capacity if the County would like to make use of it until the District needed the capacity. The second letter would address the need for a practical approach to growth and planning for that growth.

President Savas requested that Manager Read prepare drafts of these two letters.

PREDESIGN PROJECT
UPDATE: Dave Green,
CH2M Hill

Dave Green and Michelle Burkhart of CH2M Hill presented information to the Board on the status of the Wastewater Treatment Plant Pre-Design Project. They addressed questions from the Directors regarding the ability to accommodate additional treatment flow. Dave Green explained that the project as designed could accommodate a move away from the Cannibal System and a return to conventional activated sludge treatment, thus accommodating increased flow. Dave and Michelle reported that an even larger amount of the existing facilities could be re-used by re-using the existing pump station. President Savas expressed a desire to stress in public information the large amount of the existing facilities that will be re-used.

After a question from Director Seigneur, Dave Green explained that

engineering additional capacity into the plan is not part of the pre-design project as negotiated. This project will provide treatment capacity for the expected growth as determined by District staff and will provide the necessary flexibility to handle those flows and the expected associated peak flows.

Dave Green addressed the Cannibal/Siemens discussions. Siemens has proposed a guaranteed yield of .25. CH2M Hill believes that we may be able to get Siemens to move that guaranteed yield number lower. Discussions continue.

Director Martin noted that 37.1% of the budget for the project has been expended. He asked if the project is 37.1% complete. Dave Green replied that it is.

RECESS

President Savas called a recess of the meeting at 8:37 p.m. for a break. He re-convened the meeting at 8:45 p.m.

MPCAC COMMUNICATIONS SUBCOMMITTEE: Michael Read

Manager Read presented an update on the activities of the newly formed MPCAC Communications Subcommittee. The people nominated to this committee by their fellow Committee members are Tom Foeller, Thelma Haggemiller, Henry Schmidt, and Director William Wild. Manager Read asked the Board to appoint those nominated to the Committee.

President Savas expressed concerns that this new Committee not be empowered to go beyond the original scope of work on the Public Outreach project. Clark Worth, Barney & Worth, Inc. stated that this Committee is within the existing budget and scope of work. President Savas requested that the Board be informed of the status of the project, the scope of work, and the expenditures.

Following discussion, President Savas requested a motion to formally appoint the committee.

M/S Seigneur/Woods to appoint Tom Foeller, Thelma Haggemiller, Henry Schmidt, and William Wild to the MPCAC Communications Subcommittee. Passed unanimously, with Director Wild abstaining.

PUBLIC PROCESS UPDATE: Libby Barg, Barney & Worth Inc.

Libby Barg reported that the update and renovation of the Oak Lodge Sanitary District website is complete and the new version is live for the public to see. The MPCAC Sub-Committee has reviewed the website, the special edition newsletter, and the media releases. Some suggestions for improvement were made, including showing the entire length of the Trolley Trail on the map, including the part that travels on public streets; and that the new Stringfield Family Park is included on the map adjacent to the Trolley Trail. There was general consensus that these changes should be made.

Sub-Committee member Henry Schmidt asked that all mailed materials in

the future show the address of the District as Oak Grove, not as Milwaukie. Manager Read stated that if approved this change could be made in the next two to three months the name change could be on the yearly bill supply order.

CONSENT AGENDA

Minutes June 18, 2008, Executive Session
Minutes July 8, 2008, Regular Session
Minutes July 8, 2008, Executive Session
Minutes, July 16, 2008, Executive Session

Director Woods requested that the re-convening and adjournment times of the July 8, 2008 Regular Session be reversed to indicate the meeting re-convened at 9:38 p.m. and adjourned at 9:39 p.m.

Director Wild requested that in the July 8 Regular session on Page 3 of 8, in the title of the third bulleted "Neighborhood" be changed to "Neighbors".

M/S Martin/Woods: Approve the meeting minutes as changed. The question was called and the motion passed unanimously.

MONTHLY REPORTS: Acceptance

Director Woods noted that these reports are essentially year-end reports. He stated that all of the reports compare favorably with the previous year's accomplishments, and that this is a testimony to the hard work and high quality of the District's staff.

Discussion followed on various aspects of the reports.

M/S Seigneur/Woods Approve the monthly reports as submitted. The question was called and the motion passed unanimously.

CORRESPONDENCE

There was no correspondence to review.

GENERAL MANAGER REPORTS: Manager Read

Budget: Manager Read reported that all expenditures are under budget.

Strategic Planning Process: An update on this will be reported monthly to the Board.

Tree Removal on SE Arista: Following clarification by District staff on the situation, it was the consensus of the Board that Manager Read would contact Clackamas County explaining the situation and confusion, disputing the billing, and requesting a refund of the Districts funds. Manager Read will discuss the situation with Cam Gilmour of Clackamas County.

PNCWA Annual Conference – Manager Read distributed copies of information about this upcoming conference in Kennewick, WA. He would like the District to send a Board member to this conference.

DIRECTOR REPORTS	<p>Community Partners/Provisional Partnership: President Savas. There is no update on this item.</p> <p>Clackamas County Coordinating Committee Report: President Savas. Discussed the agenda for Camp Colton, and the District's Board of Directors. Doug McLain reported on the Rural Reserve process.</p> <p>Jennings Lodge CPO: Director Woods. No meeting held.</p> <p>MPCAC: Director Wild. No meeting held.</p>
PROJECT STATUS REPORTS: Brett Arvidson	<p>Brett reported that construction is ongoing at the Stringfield Family Park project. The bridges will arrive at the end of the month and planting will take place in September.</p> <p>An RFP for Financial Services has been prepared.</p> <p>The new sewer cleaning truck has arrived.</p> <p>The RFP for the Digester Cleaning bid was issued, and the low bid was from Parker AG in the amount of \$145,600. Staff had decided to move forward with that project and issue the contract to Parker AG. The work will take approximately 1 week, and will begin after the first of September 2008.</p>
PUBLIC COMMENT PERIOD	<p>All members of the public had commented earlier, and there was no participation at this point in the meeting.</p>
OTHER BUSINESS: Directors and Staff	<p>Director wild requested that agenda items that have presenters attending the meeting be placed earlier on the agenda so that those presenters do not have to stay so long.</p>
RECESS REGULAR MEETING/ RECONVENE EXECUTIVE SESSION	<p>President Savas recessed the Regular meeting at 10:01 p.m. and reconvened the Executive Session in accordance with ORS 192.660(2)(i) Performance Evaluation of a Public Officers and Employees.</p>
RECONVENE REGULAR MEETING	<p>President Savas reconvened the Regular meeting of the Oak Lodge Sanitary District Board of Directors at 10:05 p.m.</p>
GENERAL MANAGER'S PERFORMANCE EVALUATION	<p><u>M/S Seigneur/Wild Approve the First Amendment to the Employment Agreement between Oak Lodge Sanitary District and the J. Michael Read, General Manager for the District. The question was called and the motion passed unanimously.</u></p>
MONTHLY EXPENSES	<p><u>M/S Wild/Seigneur Approve the June 2008 monthly expenditures in the amount of \$382,548.14. The question was called and the motion passed</u></p>

unanimously.

Adjourned 10:06 p.m.

Paul W. Savas, President

Attest:

J. Michael Read, Secretary